Senator Hawley Introduces Legislation Banning Manipulative Video Game Features Aimed at Children

WASHINGTON – Senator Josh Hawley, a fierce critic of social media practices that prey on the addiction of users, announced today that he will introduce landmark legislation banning the exploitation of children through "pay-to-win" and "loot box" monetization practices by the video game industry.

Senator Hawley said, "Social media and video games prey on user addiction, siphoning our kids' attention from the real world and extracting profits from fostering compulsive habits. No matter this business model's advantages to the tech industry, one thing is clear: there is no excuse for exploiting children through such practices.

"When a game is designed for kids, game developers shouldn't be allowed to monetize addiction. And when kids play games designed for adults, they should be walled off from compulsive microtransactions. Game developers who knowingly exploit children should face legal consequences."

BACKGROUND

 In recent years, the videogame industry has become increasingly reliant on monetization models that promote compulsive "microtransaction" purchases by consumers.

The most abusive such practices are:

- Pay to win: Pay-to-win games take two forms. In some cases, designers
 engineer games with artificial difficulty curves to induce players to spend money
 on upgrades simply to progress. These games are often offered for free, enticing
 players to download and even offering them a false sense of progression upon
 initial download before artificially increasing difficulty to induce compulsive
 purchases. In other cases, designers create multiplayer games offering players
 who purchase paid upgrades competitive advantages over other players.
- <u>Loot boxes</u>: Loot boxes, incorporated both in free and paid games, offer players randomized rewards for spending money, combining the addictive properties of pay-to-win with the compulsive behavior inherent in other forms of gambling.

One notorious example of this practice:

Candy Crush, a free puzzle game featuring a Candy Land style cartoon aesthetic
that offers players additional lives on a set timer, allows players to purchase a
\$149.99 "Luscious Bundle" including 1000 units of its "gold bar" in-game
currency, a variety pack of temporary "boosters" to reduce game difficulty, and 24

hours of unlimited lives. The game touts this offering with a medal labeled "Best Value." Candy Crush Developer King earns parent company Activision Blizzard \$2 billion annually, boasting 268 monthly active users.